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Compliance Report re Provisions of the Northern Montana College Housing and Dining System Bonds of 1972, Series A through H with First National Bank and Trust Company of Helena, Montana

Year ended June 30, 1983



OFFICE OF THE LEGISLATIVE AUDITOR

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Compliance Report re Provisions of the Northern Montana College Housing and Dining System Bonds of 1972, Series A through H with First National Bank and Trust Company of Helena, Montana

Year ended June 30, 1983



STATE OF MONTANA

Office of the Legislative Auditor



STATE CAPITOL HELENA, MONTANA 59620 406/449-3122

DEPUTY LEGISLATIVE AUDITORS:

JAMES H. GILLETT FINANCIAL/COMPLIANCE AUDITS

SCOTT A. SEACAT PERFORMANCE AUDITS

STAFF LEGAL COUNSEL

JOHN W. NORTHEY

December 1983

The Legislative Audit Committee of the Montana State Legislature:

Enclosed is the report on the audit of the Northern Montana College Housing and Dining Bonds for the fiscal year ended June 30, 1983.

The audit was conducted by Peat, Marwick, Mitchell and Company under a contract between the firm and our office. The comments and recommendations contained in this report represent the views of the firm and not necessarily the Legislative Auditor.

The agency's written response to the report recommendations is included in the back of the audit report.

Respectfully submitted,

Legislative Auditor





Peat, Marwick, Mitchell & Co. Certified Public Accountants 800 Granite Tower Billings, Montana 59101

The Legislative Audit Committee of the Montana State Legislature:

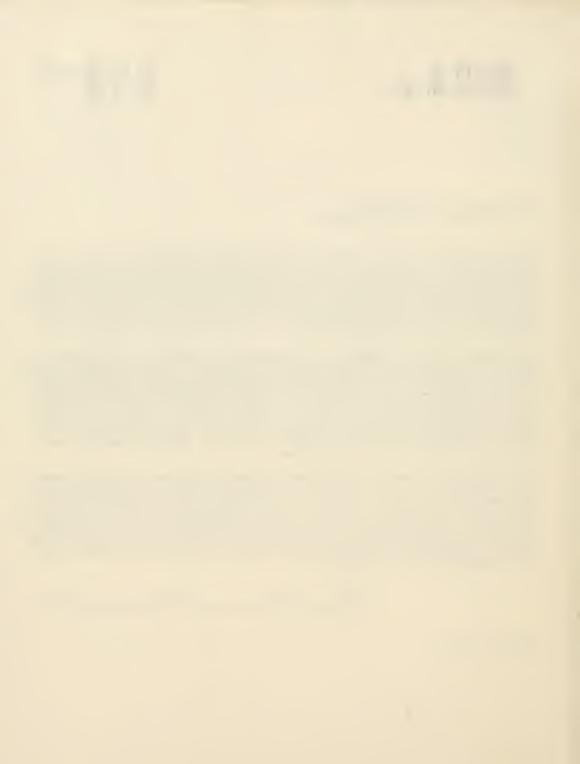
We have examined the balance sheet of Northern Montana College as of June 30, 1983, and the related statements of changes in fund balances, and current funds revenues, expenditures and other changes for the two year period ended June 30, 1983 and have issued our qualified report thereon dated October 7, 1983. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In connection with our examination, nothing came to our attention that caused us to believe that the College was not in compliance with all the terms, covenants, provisions, or conditions of the Northern Montana College Housing and Dining System Bonds of 1972, Series A through H dated March 13, 1972 between Northern Montana College and First National Bank and Trust Company of Helena, Montana (Trustee) except that audited supplementary project information required under the terms of the indenture was not prepared and submitted to the Trustee within 90 days after June 30, 1983. However it should be noted that our examination was not directed primarily toward obtaining knowledge of such noncompliance.

Our examination was made for the purpose of forming an opinion on the basic financial statements of Northern Montana College taken as a whole. Supplementary project information required under the terms of the indenture for the year ended June 30, 1983 included in schedules 1 through 5 is not a required part of the basic financial statements. The information in such schedules has been subjected to the auditing procedures applied in the examination of the basic financial statements and, in our opinion, is stated fairly in all material respects in relation to the basic financial statements taken as a whole.

Pert Mourie, Mitchell . Co.

October 7, 1983



Housing and Dining System Bonds of 1972, Series A through $\rm H$

Revenue Fund

Balance Sheet

June 30, 1983

Assets

Cash Investments Accounts receivable Inventory Prepaid expenses		\$ 37,013 66,511 46,485 180,140 264
		\$ 330,413
	Liabilities and Fund Balance	
Accounts payable and accrued expenses Student deposits Fund balance		62,402 32,187 235,824
		\$ 330,413



Housing and Dining System Bonds of 1972, Series A through ${\tt H}$

Revenue Fund

Schedule of Revenues, Expenditures, Transfers and Changes in Fund Balance

Year ended June 30, 1983

Revenues:		
Student Union - general	\$ 112.855	
Student Union - store	,,	
Student Union - recreation area	375,560	
MacKenzie Hall	4,351	
Morgan Hall	133,261	
Married student apartments	140,789	
Donaldson Hall	94,091	
Central food service	26,302	
Interest income	596,641	
Total revenues	24,988	
	1,505,838	
Expenditures and transfers:		
Expenditures:		
Student Union - general	129,503	
Student Union - store	335,407	
Student Union - recreation area	8,462	
MacKenzie Hall	132,766	
Morgan Hall	149,672	
Married student apartments	101,206	
Donaldson Hall 29,70		
Control food assessed as		
Total expenditures $\frac{527}{1,414}$		
Transfers to:	1,717,020	
Sinking fund	23,600	
Repair and replacement reserve fund	10,086	
Total expenditures and transfers	1,448,312	
Excess revenues over expenditures and transfers	61,963	
Fund balance at beginning of year	178,298	
	170,290	
Fund balance at end of year	\$ 235,824	



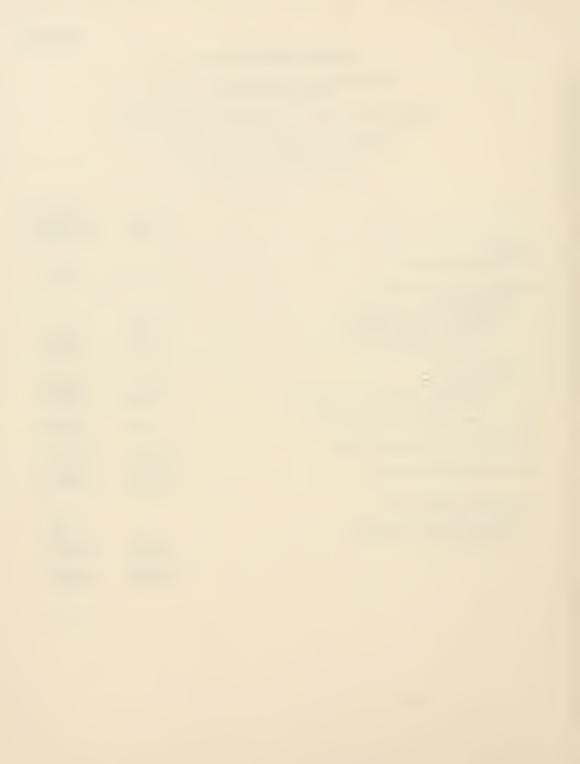
Housing and Dining System Bonds of 1972, Series A through ${\rm H}$

Sinking Fund and Repair and Replacement Reserve Fund

Statement of Changes in Fund Balance

Year ended June 30, 1983

	Sinking fund	Repair and replacement reserve fund
Revenue:		
Investment earnings	\$ <u>-</u>	80,655
Expenditures and transfers: Expenditures:		
Retirement of indebtedness	80,000	_
Interest on indebtedness	85,679	_
Expended for plant facilities		10,086
Total expenditures	165,679	10,086
Transfers (in)	(166,679)	(10,086)
Transfer out		143,079
Total expenditures and transfers	(1,000)	143,079
Net increase (decrease) for the year	1,000	(62,424)
Fund balance at beginning of year	214,616	470,751
Fund balance at end of year	\$ 215,616	408,327
Fund balance consists of:		0.7
Accrued interest receivable	_	97 20,362
Investments	215,616	387,868
	\$ 215,616	408,327



Housing and Dining System Bonds of 1972, Series A through H

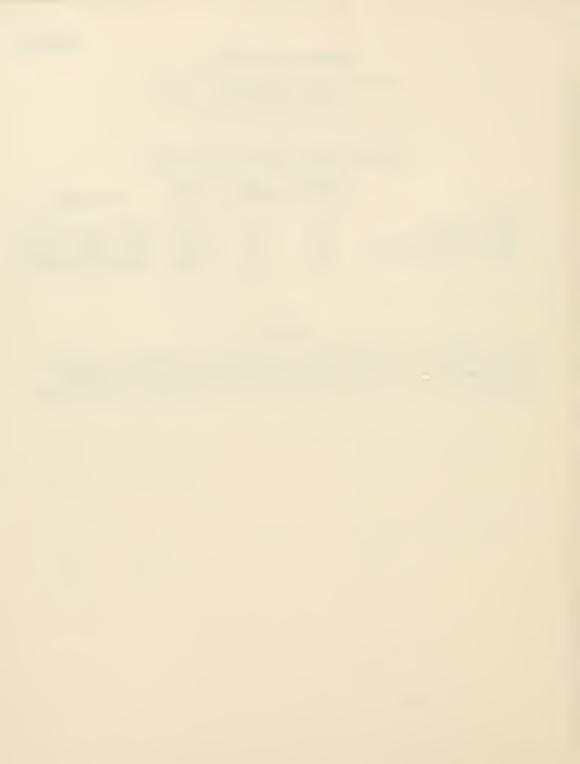
Year ended June 30, 1983

Occupancy, Degree of Use, and Rates Charged

	Maximum occupancy	Actual occupancy	Degree of use	Rates charged
Dormitory:				
Men's Housing	307	236	76.87%	\$210 to \$260 a quarter
Women's Residence	200	17 1	85.50%	\$210 to \$260 a quarter
Married Student Housing	47	41	87.23%	\$200 to \$223 a quarter

Insurance

State of Montana insures all buildings and contents at replacement cost. All buildings and their contents at Northern Montana College are insured through the State of Montana. The aggregate amount of coverage for buildings and contents secured by the Housing and Dining System Bonds was approximately \$9,680,000 at June 30, 1983.



Housing and Dining System Bonds of 1972, Series A through ${\rm H}$

Year ended June 30, 1983

Enrollment - Full-time and Part-time Student (including graduate) and Pledged Fee Proceeds

		Students
Fall	1982	1,687
Winter		1,742
Spring		1,592
Summer	1983	1,221

Pledged fee proceeds

\$ 111,000

